U.S. ARMY MATERIEL COMMAND

Policy Updates

Ann Budd

Contracting Policy Division

"Need To Be Faster, More Agile, Less Bureaucratic – Need To Fight This Everyday

AMCCP-P
Ongoing Issues

- RESET
  - Responsibility - AMC and FORSCOM
    - Will AMC assume responsibility for all Reset? Discussions Ongoing
- Performance Based Logistics
  - Assisting G3 as part of the IPT – Handbook in staffing
- Accounting for Contractor Services
  - Drafting letter to M&RA re: issues with reporting requirements
    - Requested field input/support of issues or contractor complaints
- Purchasing and Supply Management – ongoing
- FAR / DAR Council Updates
- Purchase Card issues – creditworthiness
- Competition Statistics - Goals
- Upcoming Army and OSD policy

DAR Council
FAR Cases

- **Acquisition Finance Team**
  - Revising depreciation re: sale and leaseback arrangements (FAR Cost Principle 31.205-11)
  - Final Rule will stipulate that depreciation costs (involving sale & leaseback arrangements) should be charged as if the contractor retained title throughout the service life of the asset
    - Status: Final Rule Due end of Oct

- **Contract Close-Out Systemic Issues Ad Hoc Team**
  - Suggestions to improve close-out process solicited (Sept 05)
  - Comments (public) posted to DPAP web (October 5)
  - Close-out Team to analyze comments and recommend close-out improvements (Oct 31)

- **FAR Part 30 Cost Accounting Standards (CAS) Administration Team**
  - Final Rule published significant revisions to submission process, negotiating, and resolving cost impacts resulting from a change in a contractors cost accounting practices.
  - Comments from industry and government requested reconsideration of Final Rule
    - CAS Team currently reviewing industry/government comments
    - CAS Team anticipates issuing a Proposed Rule incorporating comments by end of November

DAR COUNCIL
Payment & Funding Updates:

Proposed DFARS Changes:

- Contract Debt – Proposed Rule to ensure:
  - Timely identification & recovery of contract debt
  - Proper accounting in agencies' books / records
  - Proper coordination with appropriate government officials
  - Status: Review extended until 31 Oct 2005

- Performance Based Payments (PBP) – Proposed Rule
  - Incorporating comments to rule
  - Submission of case anticipated 30 Nov

- Payments under Time-and-Materials & Labor-Hour Contracts
  - Clarifies ''Materials,'' as currently defined

OMB Cir A-123,Charge Card Mgmt Rules: CREDITWORTHINESS

- Required for <u>new</u> purchase & travel card applicants
- Current cardholders are ***exempt***
- Credit score less than 500 – no card
- Credit score less than 660- restricted card
- Credit check not possible – Complete SF 85P
  - Questionnaire for Public Trust Positions or comparable form

DoD Implementation (Interim) CREDITWORTHINESS

- Issue Unrestricted Card
  - U.S. Citizen Voluntarily completes DD Form 2883 (self-certification)
- Issue Restricted Card ($2000)
  - U.S. Citizen Doesn’t Complete DD Form 2883 –
  - DoD Foreign National Employee
- No credit score at this time
- Completion of DD Form 2883 is voluntary
- Status on10/20/05: Interim Policy in staffing

MICRO-PURCHASE STATISTICS FY 05

Mission & Operations

- 3,168 CARDHOLDERS
- 1,762 CERTIFYING OFFICIALS
- 378,863 TRANSACTIONS
- $497 M

IMA - Operational

- 124 CARDHOLDERS
- 60 CERTIFYING OFFICIALS
- 4,570 TRANSACTIONS
- $7 M

OSD / DA Upcoming Policy

- Close-out of DCAA audits – Additional reporting
  - OSD to issue policy for audits >6mo old
    - Mandatory tracking and reporting >6mo old
    - *In addition to* Contract Audit Follow-Up Report (CAFU)

- Why necessary?
  - Audits were not closed
    - Army
      - No PNM sent to DCAA
      - Audit Report numbers performed not listed in PNM sent & back to DCAA
      - No notice of awards to DCAA on source selection outcomes where several rpts were requested

AMC Competition Program

- **AMC COMPETITION PROGRAM**
  - **Ms. Ann Budd – AMC Special Competition Advocate**
  - **Mr. James Bozzard – Alternate (appointed 01 Sept 05)**

- **AMC is the largest Major Command competition dollar contributor**
  - **Contributes to 1/2 of all Army competition dollars**
    - **AMC FY04 = $21.4 Billion vs Army FY04 = $47.6 Billion**
    - **AMC FY05 = $26.0 Billion vs Army FY05 = $47.9 Billion**

- **AMC has exceeded their competition goal between FY99 – FY03**

- **AMC FY04 Goal fell short by 0.8%**
  - **Projected Goal = 55.9% vs Actual Goal = 55.1%**
  - **Each MSC individually met their designated goals**
  -
  - **AMC FY05 Goal = 56.7%**
  - **Goal attainment to date = 53.4%**
  - **FY05 Army data collection not finalized until 31 Dec 05**

AMC Competition Program
FY 00 – FY 05

	Projected			*Actual*		
FY	**Comp $ Avail**	**$ Competed**	**% Goal**	**Comp $ Avail**	**$ Competed**	**% Goal**
FY00	$14,467.5	$5.977.9	41.3%	$17,047.1	$8,017.2	47.0%
FY01	$15,349.5	$6,947.4	45.2%	$18,696.9	$9,223.2	49.3%
FY02	$15,419.9	$6,708.2	43.5%	$21,653.7	$10,123.7	46.8%
FY03	$ $19,523.4	$7,542.4	38.6%	$28,253.3	$14,006.0	49.6%
FY04	$25, 245.9	$12,739.1	55.9	$38,862.6	$21,428.9	55.1%
FY05	$33,142.1	$19,795.3	56.7	$48,822.4	$26,080.7	53.4%*

$ = Billions

Competition Dollars: Includes all new competitive contracts or delivery orders and follow-on actions
Dollars Competed and %: only receive credit for new competitive contracts or delivery orders

*** Data input <u>as of 26 Oct 05</u> (early preliminary numbers)**

MSC/AMC/Army Competition Overview
FY 05
01 Oct 04 thru 30 Sept 05

MSC	Competition Base Dollars	Competed Dollars	% Competed Dollars	FY Goal
AFSC	$8.9	$8.3	92.54%	96.3%
AMCOM	$10.7	$2.7	24.92%	17.3%
CECOM	$10.8	$7.4	68.40%	70%
RDECOM	$2.7	$2.2	83.34%	75%
TACOM	$15.7	$5.5	35.36%	37.3%
AMC Total	**$48.8**	**$26.0**	**54.42%**	56.7%
ARMY Total	**$75**	**$47.9**	**63.83%**	

Competition Dollars: Includes all new competitive contracts or delivery orders and follow-on actions
Dollars Competed and %: only receive credit for new competitive contracts or delivery orders

Data input <u>as of 26 Oct 05</u> (early preliminary numbers)

MSC J&As Processed > $500K

	FY04 Total		FY04 GWOT Total		FY05 Total		FY05 GWOT Total	
MSC	**#**	**$**	**#**	**$**	**#**	**$**	**#**	**$**
AFSC*	67	$1.6B	67	$1.6B	55	$2.0B	55	$2.0B
AMCOM	683	$21.1B	51	$442.2 M	684	$41.4B	53	$1.6B
CECOM	163	$3.4B	56	$404.9 M	160	$3.7B	56	$464.8 M
RDECOM	224	$410.8 M	9	$90.7M	209	$444.5 M	15	$130.1 M
TACOM	679	$7.9B	22	$1.2B	716	$45.5B	69	$2.3B

GWOT – Global War On Terror (Iraq and Afghanistan support requirements)
*** All AFSC's J&As are categorized GWOT**